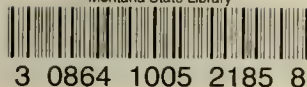


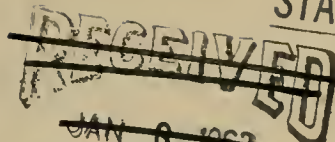
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LYLE H. STANDISH, Choteau
ACTING CHAIRMAN

State of Montana
BOARD OF HAIL INSURANCE
HELENA, MONTANA

~~MONTANA LEGISLATIVE COUNCIL~~

MEMBERS:

WILLIAM DYRLAND, Highwood
C. LOWELL PURDY
Commissioner of Agriculture
Ex Officio
EDNA J. HINMAN
State Treasurer
Ex Officio

December 15, 1962

Honorable Tim Babcock, Governor
State of Montana
Capitol Building
Helena, Montana

Dear Governor Babcock:

Preliminary report on the 1962 operations of the
State Hail Insurance Department.

In compliance with Section 82-1519 of the Montana codes and pertaining to the Hail Insurance law, I am giving you a report on the main points of the 1962 hail insurance experience.

Following the far above average hail losses for the year 1961, the year 1962 set an all time record in the total risk written and loss claims paid. Fortunately we were able to pay all losses in full. It was necessary to use \$200,000.00 of the invested operating funds because the losses far exceeded the premiums charged for the season. The excess loss was paid from the operating account and none of the legal reserve fund of \$1,200,000.00 was used. This report will possibly be subject to some small changes but none of the figures quoted will be changed materially. The annual Report to Montana Grain Growers will contain more details but will not be ready until February or March, 1963. For the present, I am giving you the following details which are most important of the 1962 operations.

BUSINESS SUMMARY FOR 1962

Total Risk Written	\$ 8,593,193--
Premium Charge..	\$ 690,336--
Losses Paid	\$ 958,754--
Policies Issued	3,198
Acres Insured	795,527+
Acres Reported Damaged	247,876.8
Losses Filed.....	965
Days With Hail	58
Loss Ratio	11.1%
Average Rate Charged	8%

1962 hail losses were most severe The total paid on losses was greater than any other year. 965 loss claims were filed as compared with 392 in 1961 and the loss ratio was 11.1%. This ratio was exceeded only in the year 1932 with a loss ratio of 12% but the volume of insurance written then was much smaller. The main part of the 1962 losses occurred in July and August. The storms of June 20th and August 10th were widespread and severe. Hail losses were reported as early as May 15th and continued into the first week of September. Many second losses occurred during the season which made adjusting difficult and costly.

Following are a few counties showing the heaviest losses, also a few counties with light losses.

SEVERE LOSSES

County	Premiums	Losses	Loss Ratio
Blaine	\$ 19,726.97	\$ 125,362.25	47%
Fallon	15,425.26	81,942.46	53%
Powder River	11,626.28	38,601.10	30%
Prairie	10,904.56	29,577.09	27%
Dawson	21,076.15	56,840.86	25%
Phillips	10,383.28	34,843.11	24%
McCone	66,201.70	141,346.22	22%

LIGHT LOSSES

Richland	\$ 54,819.73	\$ 15,487.49	3%
Sheridan	59,517.92	7,698.66	1%
Roosevelt	27,185.46	7,978.52	2%
Glacier	8,582.65	1,759.20	1%
Big Horn	37,243.43	9,855.14	3%

Heavy losses the light loss counties in 1962 had in former years

Richland	1960	\$ 86,549.17
Richland	1946	85,543.78
Sheridan	1957	34,219.54
Sheridan	1958	19,490.00
Roosevelt	1960	27,283.06
Chouteau	1961	64,348.74
Big Horn	1959	110,942.10
Big Horn	1954	77,014.63

The value of the Reserve Fund was apparent when losses exceeded the premiums. In 1961 the losses exceeded the premiums by the sum of \$109,845.00 and in 1962 by \$268,418.84, a total of \$378,263.84 for the two years. The interest earned on the invested funds covers most of the operating expenses.

Owing to the passing of our chairman, the late E. K. Bowman the last part of July, this season has been a hard one for the office force and the adjusters in the field. They cannot be commended too highly for the way they met the challenge. The wet conditions and high number of losses in parts of the state made adjusting very difficult. Many fields had second and third losses. A good spirit of cooperation was evident between the farmers and our adjusters as we ended the season with only one controversial loss. Together with the other members of the Board, I wish to express appreciation to the many farmers who insured for their patience and cooperation.

In closing I wish to commend all the state and county officers whose cooperation has been a big factor in the success of the Hail Insurance Fund.

Sincerely yours,
LYLE H. STANDISH,
Acting Chairman

LHS: gm

44 YEAR SUMMARY

Total Risk Written	\$ 143,057,202.24
Premium Charge	11,861,671.38
Losses Paid	9,131,526.41
Policies Issued	80,703
Total Acres Insured	15,354,273
Average Acres Per Policy	190
Loss Ratio	6.4%
Average Cost Per \$1000 of Protection	\$ 82.92

DETAIL STATEMENT — RISK, LEVY, LOSSES, LOSS RATIOS

County	1962 Risk	1962 Levy	1962 Losses	1962
				Loss Ratio
Big Horn	\$ 387,712.27	\$ 37,243.54	\$ 9,855.14	3%
Blaine	265,653.80	19,726.97	125,362.25	47
Broadwater	11,728.00	741.48		
Carter	14,799.00	1,499.90	1,903.06	13
Cascade	24,954.50	1,599.47	264.60	1
Chouteau	449,020.46	29,560.25	30,468.46	7
Custer	960.00	86.40		
Daniels	504,319.50	36,212.42	27,273.08	5
Dawson	224,578.44	21,076.15	56,840.86	25
Fallon	153,363.00	15,425.26	81,942.46	53
Fergus	605,505.78	56,150.27	74,550.70	12
Garfield	48,981.66	4,505.39	827.68	2
Glacier	117,450.00	8,582.65	1,759.20	1
Golden Valley	61,516.00	6,197.16	2,922.59	5
Hill	591,237.00	38,223.03	70,331.16	12
Jefferson	10,881.60	626.78		
Judith Basin	312,388.00	28,507.46	31,530.04	10
Liberty	951,352.50	58,060.31	86,440.32	9
McCone	657,443.00	66,065.23	141,544.65	22
Musselshell	9,209.40	941.88	379.52	4
Petroleum	13,644.00	1,135.44	423.84	3
Phillips	143,277.76	10,394.34	34,843.11	24
Pondera	111,423.00	6,942.68		
Powder River	127,405.50	11,626.28	38,601.10	30
Prairie	110,740.00	10,904.56	29,577.09	27
Ravalli	3,240.00	129.60		
Richland	537,364.76	54,819.73	15,487.49	3
Roosevelt	388,171.00	27,185.46	7,978.52	2
Rosebud	9,279.98	826.43	588.90	6
Sheridan	719,435.00	58,692.47	7,698.66	1
Stillwater	58,286.00	5,719.83	5,833.03	10
Teton	71,017.81	4,535.12	3,324.83	5
Toole	690,084.68	47,853.56	45,654.56	7
Treasure	16,302.00	1,564.72	1,779.10	11
Valley	100,029.80	8,500.29	17,756.21	18
Wheatland	27,748.00	2,906.51	2,180.64	8
Wibaux	25,128.50	1,987.46	1,210.92	5
Yellowstone	37,061.60	3,579.60	1,651.15	4
	<u>\$8,593,193.30</u>	<u>\$690,336.08</u>	<u>\$958,754.92</u>	<u>11.1%</u>